

FRS Equity Strategies

A Consulting Firm and Educational Institute for Equity Compensation

Using Equity Edge for your Quarter-End Reporting

For FAS 109 (Additional Paid in Capital Pool):

- A. **Tax Benefit Reconciliation** – for ISO DDs, NQ exercises and NQ terms
 - i) Date range will be fiscal period in question
 - ii) Use your actual Corporate Tax Rate for the quarter.
 - iii) Beginning Balance method: Regular
 - iv) Filter for Country is equal to US
 - v) Sort and group report by grant type: ISO, NQ, RSP
 - vi) Sort and group report by transaction type: Dispositions, Terminations, Exercises, Releases

- B. **Expense Allocation – Recognition** – for NQ vesting shares
 - i) Date range will be fiscal period in question
 - ii) Single Approach
 - iii) Use 0% forfeiture rate
 - iv) Run as Summary
 - v) Filter for NQ only

- C. **ESPP Dispositions Disqualifying** – for ESPP DDs
 - i) Date range will be fiscal period in question

- D. **Purchase Valuations** – for the valuation of ESPP DDs
 - i) Date range will be from the inception of ESPP to end of the fiscal period in question